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| Agency: | 107 Health Care Authority |
| Decision Package Code/Title: | PL-EK Eliminate Interpreter Services |
| Budget Period: | 2012 Supplemental |
| Budget Level: | PL – Performance Level |

Fiscal Detail/Objects of Expenditure

| | FY 2012 | FY 2013 | Total |
|--|-----------------------|-----------------------|------------------------|
| 1. Operating Expenditures: | | | |
| Fund 001-1 General Fund State | \$ (1,590,000) | \$ (3,256,000) | \$ (4,846,000) |
| Fund 001-2 GF-Federal - Basic | \$ (30,000) | \$ (61,000) | \$ (91,000) |
| Fund 001-C GF-Federal - Medicaid | \$ (2,369,000) | \$ (4,934,000) | \$ (7,303,000) |
| Fund 001-7 GF-Private/Local | \$ - | \$ - | \$ - |
| Fund 418-1 HCA Admin Account | \$ - | \$ - | \$ - |
| Total | \$ (3,989,000) | \$ (8,251,000) | \$ (12,240,000) |
| 2. Staffing: | | | |
| Total FTEs | - | - | - |
| 3. Objects of Expenditure: | | | |
| A - Salaries And Wages | \$ - | \$ - | \$ - |
| B - Employee Benefits | \$ - | \$ - | \$ - |
| C - Personal Service Contracts | \$ - | \$ - | \$ - |
| E - Goods And Services | \$ - | \$ - | \$ - |
| G - Travel | \$ - | \$ - | \$ - |
| J - Capital Outlays | \$ - | \$ - | \$ - |
| N - Grants, Benefits & Client Services | \$ (3,989,000) | \$ (8,251,000) | \$ (12,240,000) |
| Other (specify) - | \$ - | \$ - | \$ - |
| Total | \$ (3,989,000) | \$ (8,251,000) | \$ (12,240,000) |
| 4. Revenue: | | | |
| Fund 001-2 GF-Federal - Basic | \$ (30,000) | \$ (61,000) | \$ (91,000) |
| Fund 001-C GF-Federal - Medicaid | \$ (2,369,000) | \$ (4,934,000) | \$ (7,303,000) |
| Fund 001-7 GF-Private/Local | \$ - | \$ - | \$ - |
| Fund 418-1 HCA Admin Account | \$ - | \$ - | \$ - |
| Total | \$ (2,399,000) | \$ (4,995,000) | \$ (7,394,000) |

Recommendation Summary Text

The Health Care Authority (HCA) proposes to reduce \$12,240,000 (\$4,846,000 GF-State) by eliminating Interpreter Services effective January 1, 2012, in the 2012 Supplemental.

Package Description

HCA proposes that Interpreter Services be eliminated effective January 1, 2012. This proposal does not impact the administrative match program for Local Health Jurisdictions (LHJs) for providing these services for Medicaid clients.

Interpreter Services is an optional service provided by the Medicaid program to Limited English Proficiency (LEP) clients to assist them while receiving eligible services. Title VI of the Civil Rights Act of

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1964 requires equal access for these individuals when they apply for or receive assistance through federally financed programs. The Washington Medicaid program has historically paid for these services for many years, although not required by federal law. If the state does not pay for these services, the obligation shifts to the medical providers, however, the state retains the responsibility to ensure that services provided meet federal requirements.

HCA and other agencies like the Department of Social and Health Services (DSHS) are obligated to provide interpretation services when assisting LEP clients apply for eligible services. Many DSHS programs rely on the current broker system to provide services. If this service is eliminated, there will be increased reliance on the Department of General Administration's contracts to meet federal access requirements.

Questions related to the fiscal portion of this decision package should be directed to Marcia Wendling at (360) 725-1836 or Marcia.Wendling@hca.wa.gov.

Questions related to the programmatic portion of this package should be directed to Todd Slettvet at (360) 725-1626 or Todd.Slettvet@hca.wa.gov.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This reduction package identifies savings in response to instructions provided by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

This reduction decision package will eliminate Interpreter Services effective January 1, 2012 and save \$12,240,000 (\$4,846,000 GF-State).

| | | |
|-----------|------|--|
| Activity: | H056 | Mandatory Medicaid Program for Children and Families |
| Activity: | H057 | Medicaid for Optional Children |
| Activity: | H058 | Medicaid Program for Aged, Blind, and Disabled |
| Activity: | H067 | Optional Health Care for Workers with Disability |
| Activity: | H089 | SCHIP |

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This package will assist HCA in meeting the targeted reductions as identified by OFM.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. This package assists HCA in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget and keeping the state's budget balanced.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes. This package assists HCA in implementing changes to meet the reduction targets identified by OFM as part of the 2012 Supplemental Budget.

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What are the other important connections or impacts related to this proposal?

In the 2011-13Biennial Budget, as part of reductions, the Legislature directed the program to develop and implement by January 1, 2012, a new model of service delivery. Part of this new model included the impact of the collective bargaining agreement signed in June with the Washington Federation of State Employees for recently unionized spoken-language interpreters and changes to the brokerage system and contracts.

What alternatives were explored by the agency, and why was this alternative chosen?

Not applicable.

What are the consequences of not funding this package?

HCA will not be able to meet its budget reduction targets.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

HCA will need to terminate contracts with brokers depending on where HCA is at with the new contract procurement and anticipated re-opening of the Union contract with the state will be impacted.

Expenditure and revenue calculations and assumptions.

Revenue Calculations and Assumptions:

Not applicable.

Expenditure Calculations and Assumptions:

The estimate assumes the February 2011 forecast for Interpreter Services less estimates for Disability Lifeline (DL), Alcohol and Drug Abuse Treatment Support Act (ADATSA), Children's Health Program (CHP) eligible clients and federal funds for LHJs and hospitals. DL and CHP are not included as they are included in another reduction proposal.

| Interpreter Services | | | | |
|--|------------------|------------------|------------------|------------------|
| Identified Steps based on information for Forecasted Services 775 and 776 | FY 2012 | | FY 2013 | |
| | GF-State | GF-Federal | GF-State | GF-Federal |
| Forecast (Feb 11 version D5) | 5,617,092 | 10,939,128 | 5,967,505 | 11,756,161 |
| Remove DL, ADATSA, CHP portions | (725,983) | (27,293) | (809,482) | (27,242) |
| Remaining Interpreter Services | 4,891,109 | 10,911,835 | 5,158,023 | 11,728,919 |
| Last 6 months for FY 2012 | 2,445,555 | 5,455,918 | 5,158,023 | 11,728,919 |
| Budget step G86 reduction | (856,000) | (1,057,000) | (1,902,000) | (2,349,000) |
| MAM estimate (federal only) | | (2,000,000) | | (4,385,000) |
| Additional Savings | 1,589,555 | 2,398,918 | 3,256,023 | 4,994,919 |
| <i>rounded to thousands</i> | <i>1,590,000</i> | <i>2,399,000</i> | <i>3,256,000</i> | <i>4,995,000</i> |

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Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

This proposal assumes this would be an ongoing reduction.

Budget impacts in future biennia:

This proposal assumes this would be an ongoing reduction.